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dence of American from European thought ("we are no longer under the tutelage of England and Germany"), and the victory of economic "pluralism" over economic "monism." The present problem is to effect a reconstruction of economic theory based on "industrial changes already made, and on social reorganization plainly manifest." The socialism which has become the keynote of American economic thought is itself, however, an historical product, centering about Marx's arrival in England and his conversion of "a philosophy designed to settle English industrial problems into a mechanism to promote a revolution in Germany." This socialistic philosophy has in turn yielded in the United States to newer types—"street socialism," "state socialism," "collegiate socialism," "sociological socialism." An interesting discussion of John Stuart Mill's mental history prepares the way for a series of chapters on the theory of distribution—the failures of the past, a restatement for the present, practical applications for the future. Professor Patten's opinion seems to be, in so far as the present writer is able to grasp its many-sided expression, that the social surplus is distributed through group pressure on prices and not by natural law. Chapters on the high cost of living, voluntary socialism, the measure of progress, and the outlook conclude the study.

As one of the considerable company who owe much to the immediate inspiration and direct stimulus of Professor Patten, and who gratefully acknowledge the indebtedness, the present reviewer cannot but voice the hope that the author will expand and amplify this brochure of 100 pages into the larger volume for which material is here abundantly present.

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Political Economy. Designed for Use in Catholic Colleges, High Schools and Academies. By E. J. BURKE. (New York: American Book Company. 1913. Pp. xvi, 479. \$1.40.)

The question suggested by the title of this book, Why need there be a treatise on economics designed for Catholic institutions? is answered in the preface by the statement that "a special feature of the work is to show the Catholic doctrine wherever the subjects enter into or touch on the domain of ethics." These subjects seem to be socialism, distribution in general, interest, wages. That the author speaks authoritatively may be assumed from the fact

that he is now professor of political economy in one of the most prominent Catholic educational institutions in the country and was formerly in the same work in another similar institution; and that the book is approved by the censor and allowed to be printed by the archbishop of New York, Cardinal Farley.

The Catholic doctrine on these points may be summed up in the statement that revelation and the Church demand charity and forbearance on the part of the powerful and resignation on the part of the laborer, for "the moment of compensation, of perfect justice, will come, if not in this life, then in the life of eternity" (p. 386); and that, in the words of Leo XIII, "no strength, no artifice, will ever succeed in banishing from human life the ills and troubles which beset it" (p. 387).

The order of topics treated is significant. Distribution is placed at the very end after consideration of protection and free trade, government ownership, corporations and trusts, taxation and public debts, insurance, socialism, and in no way has any vital relation either with value on the one hand or concrete problems on the other. This failure to use the results of a study of distribution as a basis for consideration of social problems is due to the author's neglect to appreciate either the scientific or historical point of view and to his erroneous interpretation of economic theory. This appears throughout the book, but a few concrete examples may be presented. Confusion as to the nature of economic law appears repeatedly, as when it is said (p. 3) that the laws of political economy may be classified as: "(1) obligatory moral laws; (2) historical and directive moral laws; (3) physical laws." Political economy is continually regarded as an art, as in saying (p. 4) that "political economy is subject to the law of ethics"; and also (p. 6) that it is "subordinate to political science." Again (p. 71) certain laudable wishes are described as "laws of production." In this connection it may be worth noting (p. 7) that "for the Catholic economist the sources of the ethical principles that enter into political economy are (1) dogmatic truths; (2) the teachings of the Church, *e.g.*, the encyclical of Leo XIII; (3) the natural law and its applications as made by moral theology."

There is a constant lack of exactness in classification, as, for example, when in classifying wants (p. 33), they are "said to embrace the following things: food, clothing, lodging and luxuries." Are not a large part of our luxuries food, clothing,

lodging? Again in saying (p. 39) "the proximate cause of the value of a thing is the desire men have for that thing; the remote causes are its utility to satisfy a want, its scarcity, and its difficulty of production," and (p. 45) "the economic value is caused by three factors—the utility of the object to satisfy a want, the scarcity of the object and the difficulty of attainment or of production," there is a confusion of market and normal values and a failure to see that scarcity is only another way of saying difficulty of production.

The author's grasp of the principle of marginal utility "called by Marshall the law of the diminution of marginal utility" may be judged from his statement (p. 43) that "there will be an average degree of utility for the great majority of all the individuals, and this average marginal utility will determine the average marginal value, which will be the actual value of the commodity"; but on the next page he concludes "marginal utility cannot be a general determinant of value." The author's failure to grasp even the elements of the theory of value is shown by his statement (p. 45) that "the price of any object should bear some relation to the value of the object"; and the amazing statement (p. 53) that "when demand is equal to supply, price is normal." Does not Professor Burke see that every price, however abnormal, resulting in an exchange is one that means equality of demand and supply? Much space is given to disproving that "if demand is doubled, the supply remaining the same, the price is doubled; and, if the supply is doubled, the demand remaining the same, the price is reduced one half" which is said to be a law stated by the "liberal school."

A few misleading or erroneous statements may be indicated: the mercantile system "held that wealth consisted exclusively of money" (p. 7); Adam Smith "did not treat distribution at all, limiting his study to production alone" (p. 384); "the mathematical school [Cournot, Walras, Edgeworth] which deals largely in statistics . . . all the various factors that enter into economics are submitted to statistics, and the law of probabilities is derived and held to be absolute" (p. 13); the Austrian school "has exerted a certain influence on economic thought." Having defined socialism as democratic, political collectivism, Rodbertus, Proudhon, Owen, Fourier are given among its propagators. The desire for iron is "natural"; that for gold, diamonds, pianos is "artificial" (p. 39). "Most of the fundamental principles set forth

today by modern economists were known years ago to Catholic writers" (p. 46). Marx's doctrine of labor value is misstated (p. 41); rent is said without qualification to be an element in the cost of production (p. 68); and, although later (p. 395) it is said in giving the Ricardian doctrine that according to this rent does not affect the price of agricultural products, the author shortly after (p. 400) calls this doctrine "in great measure fanciful and contrary to facts"; and after stating that an increase of capital and labor to land will increase the total returns, it is said, "hence is derived what is called by some the law of increasing returns" (p. 74). The treatment of distribution is a mixture of unassimilated reading, inconsistent theories, and dogmatic ethical precept. On many concrete economic questions there is a reasonably good presentation of opposing arguments, but it is frequently only a condensation, with acknowledgment, of the treatment by such authors as Gide, Walker, or Hobson.

The principles of the "Catholic school" seem not inconsistent with a radical progressive program including the minimum wage. But all attempts at improvement will be in vain except as supplemented and guided by the Church which "is not merely a teacher. It is moreover the dispenser of God's grace through sacrament."

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Les Lois de la Sociologie Economique. By ARTHUR BOCHARD.
(Paris: Librairie Marcel Rivière et Cie. 1913. Pp. 352.
8 fr.)

It is inevitable that economics should be rewritten as sociology advances. The construction of a sociological economics and of an economic sociology is well under way in this country; but even greater efforts are being made in France to bring the two subjects into harmony. To the economist it may seem nearly as hazardous to base economic theory upon the results of contemporary sociology as it would be to base it upon the results of metaphysical speculation. Contemporary sociology, however, includes certain well-established facts and principles regarding the origin and development, structure and functioning of human groups, which the economist can no longer afford to ignore. For this reason attempts like this of M. Bochard, who is secretary of the Sociological Society of Paris, to bring together economics and sociology in something like an organic union are certainly to be commended, even though the work may seem to us very faultily done.